

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7911
BILL NUMBER: HB 2022

DATE PREPARED: Jan 10, 2001
BILL AMENDED:

SUBJECT: Inventory tax credits.

FISCAL ANALYST: Bob Sigalow
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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Pending

Summary of Legislation: Establishes the inventory tax reduction fund. Provides that the fund is used to pay an inventory tax credit for growing employers to taxpayers that employ new employees after 2000. Specifies that the amount of the credit is equal to: (1) the percentage of the employer's employees who are new employees; multiplied by (2) the taxpayer's net property tax liability on inventory. Provides that if the money in the inventory tax relief fund is insufficient to pay all of the credits, the amount of each taxpayer's credit is reduced by an equal percentage. Provides that if there is a balance in the inventory tax reduction fund after providing the inventory tax credit for growing employers, the remaining amounts in the fund shall be used to provide an inventory tax credit to all taxpayers with inventory tax liability. Specifies that a part of income tax collections from an employer that employs new employees or increases the amount of the employers business personal property is dedicated to the inventory tax reduction fund. Specifies that 50% of the income tax revenue collected from employees of such an employer is also dedicated to the fund.

Effective Date: July 1, 2001; January 1, 2002.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: